

(10-11-95) Wed.

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MEMORANDUM

Date:

September 22, 1995

From:

Pam Craig

To:

Hickman Ewing

Subject: September 13, 1995 Call from John Credule

John Credule called at 9:55 a.m. asking to talk to you. When I told him you were not in, he left a message that Helen Dickey was no longer working at the White House and that the recording on her voice mail seemed strange to him. He left the number (202-456-7707) with me in case you wanted to hear it for yourself.

He called back later in the day to say that Mark Swainey was going to ADFA on Friday for an eight-hour "peek" at the documents and that Ray Drew would be going also.

MEMORANDUM

Date: August 7, 1995

From: Hickman Ewing

To: File

Subject: Rush Limbaugh - August 7, 1995

While I was driving from Memphis to Little Rock I turned on the Rush Limbaugh program for a short while. I heard him talking about the death of Vince Foster. He said that he had learned a couple of things over the weekend that he had not heard before:

1. The original Secret Service report on Vince Foster's death stated that the Park Police had found Vince Foster's body <u>in a car</u> in the vicinity of Ft. Marcy Park. Foster apparently died from a self-inflicted gun shot wound. A 38-caliber pistol was also found <u>in the car</u>.

According to Limbaugh, when asked about this, the Secret Service said these were typographical errors, and that he was in fact not found in the car, nor was the gun found in the car.

2. The New York Post - John Credule - reported in a story that there are two or three people who are prepared to state that Foster died in the parking lot at the White House, and his body was then transported to Ft. Marcy Park. The story also has something about the White House being notified way in advance of the time that they said they were advised.

[Could this scenario have happened? Number one, Vince Foster left his office intending to return. He went out somewhere and then came back to the White House. He shot himself in the parking lot. Number 2, his body was found, and someone made the decision that it would not be good if his body was found there. Three, he and his body were driven, in his car, to Ft. Marcy Park. Four, he was carried to the vicinity of cannon #2, and the suicide scene was recreated.]

Later in the Rush Limbaugh show, it was stated that Chairman Leach had stated that the House hearings were the first hearings to tell what Whitewater was all about - how it started, etc. Rush also said that in preparation for this week's House hearings, the White House had disclosed certain documents, including at least one document which reflected that Hillary Rodham Clinton was more involved in the representation of Madison

than she had previously disclosed.

Rush also pointed out that the liberal reporters said nothing new had come out at the Senate hearings. Rush said, "What do you mean nothing new?" There are a lot of "he said/she said's, including those about Maggie Williams, the involvement of Hillary Clinton, etc."

0002

22:17 08/07/95

New York Post, August 7, 1995

EY, Al D'Amato, you need a big finish!

D'Amato's Senate Banking Committee has wandered into the controversy surrounding Vince Foster's suicide. But the weeks of hearings — No, I didn't remove files" Linr, liar. Yes you did"



- has left even the hungry press corps starving for juicy news.

How's the senator going to. end this one with a flurry?

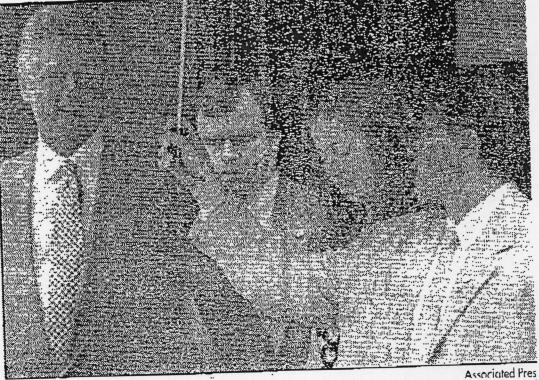
Call Helen Dickey, Roger Perry and Betty Tucker to the stand.

Dickey is a lady who takes care of Chelsea Clinton at the White House when Hillthe governor's mansion.

Perry says he was on duty at the Arkansas governor's mansion on July 20, 1993, the day Foster killed himself. And hell swear that a distraught Dickey - whom he knows from when she was the nanny during Gov. Clinton's reign — called late that atternoon to blab to Gov. Jim Guy Tucker and his wife. Betty, that Foster had killed himself in the parking lot of the White House.

Perry said he passed the call on to Tucker and even discussed Foster's death with

I've had dinner with Perty



ary is off First Ladying. CHELSEA AND DAD: President Clinton leaves church vesterday with state trooper in Arkansas daughter Chelsea, whose former namely, Helen Dickey, reportedly was told who had been assigned to that Vince Foster killed himself in the White House parking lot.

a couple times and he stands firmly by the story, although he says he can't exactly pin-point the time of the call. But he is certain that it was prior to 6 p.m (5 p.m. Arkansas time), the time Foster's body was officially found.

The White House supposedly wasn't told until 8:30 p.m. or 9 p.m. about Foster's suicide and a low-level cm ployee like Dickey couldn't have been the first one informed.

Other sources of mine have checked and claim the Dickey call came at around 4:48 p.m. Washington time

(3.48 p.m. in Arkansas).

It can't be too difficult for a powerful senator to get hold of the White House phone logs. And if he does have trouble I'll put him in touch with someone who has ac-

If Peny's story holds up, it raises at least two interesting questions. How did Dickey know before 5 p.m that Foster had killed himself when Foster's body wasn't found until after 6? And how would she have known four hours before the White House about the

See CRUCELF on Page 24



SEN. AL D'AMATO Heads Senate hearings

08/07/95 22:17 FAX Ø 003

ite House parking lot?

death?
Could Halen Dickey merely have had a prumouition? Nah.

And why did Dickey say Foster had killed himself in the White House parking" lot when his body was actually found on the grass in the now fa-mous Fort Marcy Park?

Incidentally, a Secret Service memo written hours after Foster's body was found says on the evening of 7/20/93, unknown time, U.S. Park Police discovered the body of Vincent Fester in his car. The car was parked in the Ft. Marcy area of Va. near the GW parkway. Mr. Foster apparently died of a solf-inflicted gunshot wound to the head. A 28-caliller revolver was found in the car."

The memo — on file with D'Amato's committee — was dismissed as

erroneous the last time The Post

Maybe so. Perhaps a Secret Service official — with this important dead guy on their hands — just mistyped

all of this stuff in the excitement.

I don't want to join the screwball fringe on the Vince Foster matter, but it seems that someone from D'Amato's team should have at least

interviewed Perry by now.

Special prosecutor Ken Starr's people have already spoken with Perry a. couple of times on a number of different Clinton-related matters.

Perry telling his story, followed by Betty Tucker confirming it, followed by Helen Dickey explaining the call would make a great closing act to this otherwise tedious melodrama.

And if D'Amato really wants to light up Congress, he should ask Perry to give the unabridged version of what he discussed with Betty Tucker that day. I can't get into it here, but it's what you would call rerealing.

FOIA # none (URTS 16370) Docld: 70105788 Page 7

Bombshells coming out of Arkansas will likely hurt Clinton

T the same time that the Senate is wrestling with hostile witnesses over whether or not something was removed by somebody from presidential aide Vincent Foster's office after his suicide, testimony is being taken in Arkansas that could be much more devastating to Bill Clinton.

Sworn depositions given the past few days in a lawsuit by a

JOHN CRUDELE



my named Terry Reed against Raymond Buddy Young, a close friend of Clinton, have pro-duced some bombshells that could severely damage the president's image and his re-election chances.

Among the disclosures is one by a clerk for the intelligence unit of the Arkansas State Police's Criminal Investigation unit who testified that she was ordered in 1988 by superiors to shred documents related to a drug-and-gun running opera-tion allegedly being run out of Mena, Ark.

You've read about Mena here and elsewhere. In the early 1980s, the Central Intelligence Agency is said to have assembled guns in Arkansas for ship-ment to the Contra rebels in Nicaragua. Cocaine was allegedly being smuggled into the J.S. on return flights.

Reed said he was recruited into the gun running part of this operation. His book, titled "Compromised: Clinton, Bush And the CIA," gives his view on what was going on in Mena.

Officials in Arkansas have denied knowing about the opera-

But the testimony of the clerk, whose name I am withholding, could puncture the no-tion that all of this went on under the noses of Arkansas officials without their knowledge.

Taken at the Arkansas Attorney General's office two days ago that as late as 1988 there were documents about Mena in the

Brown has said in aworn statements that then Governor Clinton, in early 1984, was invited to a party at his friend Dan Lasiter's house where cocaine was openly used.

The trooper testified that he hustled Clinton out of the party when the truper spotted a sterling silver dish that appeared to contain cocaine. But Clinton did not report the illegal activ-

I spoke with the trooper yesterday by phone. In a recent article in the magazine American Spectator, Brown said he got involved in the Mena operation with the help of Bill Clinton, the man who Brown had been guarding. That article was largely ignored by the popular press because many people just didn't believe Brown.

But during his testimony in the Terry Reed case this week, Brown says he produced documents that show he had been lured into the Mena operation.

So what did Brown say in his deposition?

Brown says he was recruited into the Mena operation with the help of his friend Bill Clinton. He was interviewed by a guy named McGruder and later got a call from Barry Seal, who is now dead but apparently was the leader of the Mena operation.

Brown says his first trip with the Seal operation was on Oct. 24, 1984 aboard a C123 plane. They dropped some skids off the plane which, he was later told, contained M16 rifles. He said in the deposition that after the plane landed, four duffel bags were loaded on board.

Brown said in his testimony - and in my phone interview - he expressed concern to Clin-

After the second flight, Dec. 24, Brown said he told Clinton that he had seen cocaine being loaded onto the homebound

"If there was any alarm it was that I had been shown the existence of the cocaine." Brown should be a should day. "I had been hoping to get a quick denial or a statement of disbelief."

state police files. The papers — including one with the headline "Mena Illegal Activities," the subject of which was narcotics and arms shipments — were ordered shredded, the clerk said.

Clinton was governor in 1988. Which raises the question: Could Clinton really have been unaware that something this controversial was going on if the state police — the guys who drove him around each day and with who he partied — had a file on Mena?

The Post has also learned that testimony has been given in the case that says Clinton appeared not only to know about the gun running operation but also that cocaine was abourd return flights.

aboard return flights.

Worse for the President's image -- but probably less troubling legally -- may be the fact that a state trouper named L.D.

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down by saying 'That's Lasiter's deal.' Not only wasn't he denying it, but he knew," Brown said.

For the record, Brown said he never saw Bill Clinton use cocains. "I don't have any proof he ever used drugs" is the way he put it to me.

But here's the real kick in the butt to the White House. Brown has already spoken with Special Prosecutor Kenneth Starr's people and the FBI a number of times. He also confirms that he has been before the grand jury looking into all of this stuff.

Brown won't say what he told the grand jury or investigators except that the conversations were "about everything."

Last Monday, I spent one of the last days of my vacation in Arkansas. Let me tell you, there is a lot more to come.

Sing on the bar buy to the owner

From: H. Ewing

To: File

Re: John Credule, NY Post

John Credule called me at 3:55pm this afternoon.

He wanted to know about action that was going to take place on Tuesday, June 27.

I told him there would be no announcements tomorrow by this office.

He said he knew the grand jury was meeting tomorrow. I told him that we had gotten a number of press inquiries about Jim and Susan McDougal being indicted tomorrow. He said, "are they?"

I again told him there would be no announcements by this office. He said words to the effect, "in other words you all will indict, but will not make an announcement." He asked if we were talking about semantics. I told him we were. I told him there would be no indictment of Jim and Susan tomorrow.

He seemed disappointed. He said that he was one of the ones spreading the word that they would be. I told him that he was totally wrong.

He asked if I could tell him anything else, and I told him no.



for 96 . - -

Office of the Independent Counsel

Two Financial Centre 10825 Financial Centre Parkway, Suite 134 Little Rock, Arkansas 72211

(501) 221-8700

Fax (501) 221-8707

John Credule - NY Post -O Is three any one I can talk to off the record att Flore word, (NO) OALSO Kuns m) steems seemith Bank ---ONS infor I panelit on. 1 Why The Supp to JGT? Why wan it Quashed? People in AR Think you all are backing down. THE said- write one piece a time? 1 Damocrati in WSC - want you all to spd up the pare - it bis problem

From: H. Ewing

To: B. Kavanaugh

re: "Safe House"

1. I was advised on the afternoon of May 2 by that the alleged "safe house" was located in Merrywood on the Potomac, a development located 100-200 yards from the back entrance to Fort Marcy Park.

The house was in the name of FNU Wallace, an attorney close to Bill Clinton. Or, the house was jointly in Wallace's and Foster's names.

The caller told me he did not know how good this information was, but wanted to pass it on.

2. I asked the caller where it was physically in relation to Fort Marcy. I told him there was a subdivision west of the Park. He simply repeated that it was 100-200 yards from the back entrance.

I got the impression that the caller was not familiar with the layout of the Park or the surrounding area.

- 3. The caller called me back at 8:33 am on Wed., May 3, leaving a voice mail: I have some more specifics on the safe house. I called this person back at 12:02 pm and left my name and number.
- 4. At 2:45 pm this person advised:

The house is on Dogwood Street. It leads to a deadend in a cul-de-sac. It is in Fairfax County.

On the left in the back of the cul-de-sac is a big white two story house. It abuts Fort Marcy Park. This development is about 300 yards from the park.

There is a Larry Wallace, who is a big shot attorney.

Again, this information may not be accurate.



Office of the Independent Counsel

Two Financial Centre 10825 Financial Centre Parkway, Suite 134 Little Rock, Arkansas 72211 (501) 221-8700 Fax (501) 221-8707

ohn Crednle -

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FOIA # none (URTS 16370) DocId: 70105788 Page 13

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FOIA # none (URTS 16370) DocId: 70105788 Page 14

Tales of skimming may widen Whitewater pro

HE former auditor for Arkansas suspects that money was skimmed off of state bond deals for years. and she's preparing to go public with all that she knows.

Julia Hughes Jones --who was auditor for the state from 1981 until last January, when she lost an .. election — says that the state's money was routinely invested outside Arkansas and she believes that when the funds came back to the state's coffers, it didn't have the interest income that it was supposed to have.

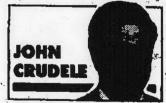
Despite that charge, another source who monitored the state's investments says the practice - while unsavory - wasn't illegal. He says it represented a. routine and legitimate payment to some of the state's best-connected financial institutions for services in. placing the investments in other states

kansas, the talk was that someone was skimming off the top," says Jones, who is now retired out of state and preparing to write a book. "It's my opinion, after doing some research, that they were placing the funds at one interest rate and accepting another verbally."

The difference between the agreed-upon interest rates, Jones says, went into someone's pocket. Jones. however, says that she cannot yet document that such private arrangements actually existed.

But she did provide The Post with documents on a state-bond repurchase agreement that might tellinvestigators whether this was actually happening. I'm told that these docu- wards way that Arkansas ments already have been sent to special Whitewater prosecutor Kenneth Starr.

Roy Drew, a private investment adviser in Arkansas



the FBI asked for, and he provided, information he had on questionable state investment practices. They took the files" in July, says Drew.

If Starr pursues the acmisations, it could greatly broaden his investigation because it could bring scrutiny to any Wall Street institution that did business with Arkansas:

And if Jones' charges can ultimately be proven it could also lead to more than a little snickering about the backwas run and how renegades were kept in line.

Jones, for instance, says that her house was broken into in January 1988 and

her apartment was burglarized and it was broken into again in September 1994. In the first apartment break-in. some jewelry was taken. The September incident only yielded the thieves documents. "Some of the things we are talking about now." she says.

Jones says she had similar bad luck at work. "My office was burglarized four or five times," she says. Her office was in the State Capitol right next to the gover-nor's office.

Others had worse luck. Sources close to Starr's investigation tell me that four people who had knowledge of the state's investments died prematurely. Starr is looking into all of this.

Despite her accusations about skimming interest money from bond payments. Jones says she isn't sure who benefited. Tm not sure who was a fire in December, was altinoing and who was

talk goes on today about it going on then."

Jones also says that the government of Arkansas was illegally investing money - including retirement funds - out of state. She said this was permitted only under certain circumstances, like when a brokerage firm was acting as a principal in the transaction (i.e., risking its own money) and not merely as an agent.

The state nearly got burned in 1985 when money it invested through Worthen Bank ended up in repurchase agreements with the New Jersey securities firm of Bevill, Bresler & Schulmann. When the Jersey firm failed that year, the state nearly lost \$52 million of the money invested with banks in other states.

Drew, the investment adviser, says that there were "guidelines" but no rules on how Arkansas money could be invested

For instance. Di that the review of pendent third pa necessary before st sion money could vested in Arkansa projects. "The fir that came up. I w as the third-pa viewer," says Drew two other review vised that the should be rejecte state investment.

But the state's fir partment voted 1. go ahead with the ment anyway.

That project wa Helena Harbor, TI water port receive \$60 million in money thanks to th 13-to-1 vote, savs I it only recently si first tenant. The was ready for or years ago.

You guessed it. also looking into Harbor and the w pension money was

Es Cops are aiming to : stealing a free ride.

delivery personnel with police.

During July and August, the first two full months of Operation Spoke, police

they re gonna pun ... bery and they go through a red light, I use that as a reason to stop them," the cop said.

pay more attention to one-way signs.

skimming may widen Whitewater probe

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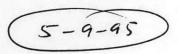
Drew, the investment adviser, says that there were "guidelines" but no rules on ..

For instance, Drew says that the review of an independent third party was necessary before state pension money could be invested in Arkansas-related projects. "The first time that came up, I was hired as the third-party reviewer," says Drew. He and two other reviewers advised that the project should be rejected as a state investment.

But the state's finance department voted 13-to-1 to go ahead with the investment anyway.

That project was called Helena Harbor. The slackwater port received about \$60 million in federal money thanks to the state's 13-to-1 vote, says Drew, but it only recently signed its first tenant. The project was ready for occupancy years ago.

You guessed it. Starr's also looking into Helena how Arthress money could Harbor and the way state be lavested by house being being money was used. As TRUSTELL THESE SECTION



1025 John Greavle couled

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[5-2-95]

6:29m

John Cridele - Ny Post 212-815-8446

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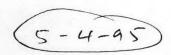
V. Vince Foster . thing to find file is : + the (-o cout) -O Merrywood on The Potomac
Safe house

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Non of WKH o UF - at time of Midlike Zinsters.

Roy Drew 501-225-6878

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(5-3-95) Wed.

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1:20 He left mag

2:45 Dogwood Street - leach into cul de sac in Friedex Co.
on left - 6ig white 2 story - a buts Ft. Many Parkdevelopment 300 year. Ku Park.

Lamy Wallace - big shot atty

From:

To: hewing

Date: 5/2/95 8:32am

Subject: Press

John Crudele from the New York Post and said he heard you had spoken with at least one person from the press.

Debbie Gershman

He would like to speak with you "on background." I told him I would pass his request along to you. John's number is

212-815 -8446.

From: H. Ewing

To: B. Kavanaugh

re: "Safe House"

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From: Rita Ferguson

To: JBENNETT, SCOLLOTON, WDUFFEY, HEWING, SLEARNED, BL...

Date: 4/28/95 3:14pm

Subject: Telephone Call from Crudele at the NY Post

He said that he heard we were investigating Coral Reinsurance and, if we were, Roger Needham from the Delaware Insurance Dept. would like to talk to us. Needham is part of a panel of several state insurance people who are looking into Coral Reinsurance. Needham's number is 302

Crudele also said that he heard the FBI was in Barbados looking into Coral Reinsurance, but his sources said the key person may be Michael Murphy in Bermuda.

Memorandum

To : File

Date 5/1/95

From : Debbie Gershman

Subject: Meeting with John Crudele, New York Post

I met with John Crudele on Tuesday, April 25, 1995 at the Airport Holiday Inn restaurant from 11:00 a.m. to 12:00 p.m. John said he always likes to put a face with a voice and really just wanted to meet in person. He didn't have a specific purpose for the meeting other than that one.

John lives in Colt's Neck, New Jersey. He is married and has children. John is working on other stories in addition to the Whitewater investigation. He is a financial reporter. I asked how he became involved in this investigation. John said that rumors always run through the financial community and he was always hearing things relating to the Foster and Whitewater investigations. Tom Galvin, the reporter first assigned to the Whitewater matter, was out of town at a time when the New York Post needed something covered. They asked John to cover the story. Since that time, John and Tom Galvin both work on Whitewater. John was told by several people to "watch his ass" since he is now involved with covering this investigation and especially with his first trip to Arkansas this week.

John is syndicated in about 10 papers. He has been a reporter "for a million years." John also used to work at the New York Times.

John wants to know why Miguel Rodriguez left the DC office.

John thinks (at least hopes) we are looking at Coral Insurance. Coral is tied to AIG in New York. Maurice Greenberg is the President of AIG and was also on the list for CIA Director. It is rumored that Greenberg runs CIA operations out of several AIG offices.

Terry Reed would like to talk to us. Reed heard we had a hard time getting a copy of his book <u>Compromised</u>. I told John that we receive various tapes and books from citizens who mail them to our office.

John talks to Ambrose Evans Pritchard all the time.

Chris Ruddy ran a story saying that Vince Foster was murdered. He didn't leave any room to back out of the story, as reporters sometimes do when they are covering a story as major as this one. The story embarrassed the New York Post and resulted in Chris leaving the paper.

John believes that Mena is where it all started.

John believes that our office will be shut down before we finish the investigation. I asked why he believed that, but he just repeated that that was what he felt.

John wanted to know if we get threats. I told him we received lots of correspondence and calls from citizens - some complimenting the job we are doing and some criticizing the investigation. However, I was not aware of threats.

John wanted to know what Hick Ewing was like. I told him Hick was a wonderful person and that he was with the U.S. Attorney's Office in Memphis, Tennessee for many years.

John believes that at some point in the future, we will need to get information to the newspapers off the record. He would like to be one of those reporters we can call to filter this information into his paper.

John believes that the story doesn't end in Arkansas.